

## Message Text

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ORIGIN EUR-12

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FM SECSTATE WASHDC  
TO USLO PEKING PRIORITY  
AMCONSUL HONG KONG PRIORITY  
AMEMBASSY MOSCOW PRIORITY  
AMEMBASSY TOKYO PRIORITY

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E.O. 11652: N/A

TAGS: SOPN, PEPR, CH

SUBJECT: PRESS Q'S AND A'S ON US-CHINA COOPERATION IN  
FIELD OF OIL PRODUCTION

FYI, FOLLOWING Q'S AND A'S WERE POSTED AUGUST 11 IN  
RESPONSE TO QUESTIONS POSED AT AUGUST 11 NOON BRIEFING:

QUESTION:

WHAT CAN YOU TELL US ABOUT THE ROWEN STORY IN TODAY'S POST  
ABOUT CHINA TURNING TO US FOR AID IN EXPLORATION OF ITS  
OIL RESOURCES?

ANSWER:

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CHINA RECENTLY HAS SHOWN CONSIDERABLE INTEREST IN COOPERAT-  
ING WITH FOREIGN COMPANIES IN THE DEVELOPMENT OF ITS OIL  
RESOURCES. IT HAS ALREADY REACHED AGREEMENT WITH THE  
JAPANESE FOR EXPLORATION IN THE POHAI GULF, AND FOUR AMERI-  
CAN OIL FIRMS HAVE BEEN INVITED TO CHINA FOR DISCUSSIONS.  
PENNZOIL RECENTLY RETURNED AND EXXON IS CURRENTLY IN CHINA.  
I'M AFRAID I CANNOT CONFIRM ANY OF THE DETAILS OF THOSE

NEGOTIATIONS AS DESCRIBED IN THE ARTICLE.

QUESTION:

WHAT CAN YOU TELL US ABOUT THE FIGURES CITED IN THE ARTICLE ON POTENTIAL OIL PRODUCTION?

ANSWER:

THERE HAVE BEEN RATHER WIDELY VARYING ESTIMATES OF CHINA'S POTENTIAL AS AN OIL PRODUCER, SO I AM NOT IN A POSITION TO GIVE YOU A USG ESTIMATE OF POTENTIAL OIL PRODUCTION.

QUESTION:

THE ARTICLE ALSO TALKS ABOUT LARGE SCALE STUDENT EXCHANGES INVOLVING CHINESE COMING TO THE U.S. CAN YOU CONFIRM THIS?

ANSWER:

WHEN DR. FRANK PRESS WAS IN PEKING THERE WERE TENTATIVE DISCUSSIONS OF STUDENT EXCHANGES, AND THE PRC RECENTLY HAS BEEN IN TOUCH WITH A NUMBER OF GOVERNMENTS CONCERNING THIS ISSUE. WE DO ANTICIPATE THAT THERE WILL BE A NUMBER OF CHINESE STUDENTS COMING TO THE UNITED STATES, BUT THE TIMING OF THESE EXCHANGES AND THE NUMBERS INVOLVED HAVE NOT YET BEEN DETERMINED.

QUESTION:

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ALL OF THESE DEVELOPMENTS HAVE BEEN CHARACTERIZED AS "ONLY THE TIP OF THE ICEBERG" IN TERMS OF IMPROVING CONTACTS AND RELATIONS WITH THE PRC. DO YOU THINK THIS IS THE CASE?

ANSWER:

WE ARE LOOKING FORWARD TO SUBSTANTIALLY INCREASED CONTACT WITH THE PRC AS IT ENGAGES IN AN EFFORT TO MODERNIZE ITS ECONOMY. OTHER WESTERN COUNTRIES (I.E. CANADA, THE EEC) ARE IN A SIMILAR SITUATION.

QUESTION:

WHAT SORT OF CONTACTS?

ANSWER:

IN VARIOUS FIELDS. COMMERCE FOR ONE. ALSO, YOU MIGHT WANT TO REFER TO THE STATEMENTS BY JODY POWELL ON JUNE 27, 1978 REGARDING THE VISIT TO CHINA BY THE DELEGATION LED BY FRANK PRESS.

QUESTION:

WHAT CAN YOU TELL US ABOUT THE ARRANGEMENTS FOR THE FOUR OIL COMPANIES' VISIT TO CHINA?

ANSWER:

THESE VISITS WERE ARRANGED PRIVATELY IN COOPERATION WITH  
THE NATIONAL COUNCIL ON U.S. CHINA TRADE. I SUGGEST YOU  
DIRECT YOUR QUESTIONS TO THE NATIONAL COUNCIL.  
CHRISTOPHER

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## Message Attributes

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**TAGS:** SOPN, PEPR, CH, US  
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